

Panama Canal Fireside Chat - 2/1/78 [1]

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
<u>Memo</u>	Hamilton Jordan to Pres. Carter, 3 pp. re: Reaction to Panama Draft <i>opened 6/13/03</i>	1/31/78	A

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Pres. Handwriting
File Panama Canal Fireside Chat [2/1/78] [1] BOX 71

RESTRICTION CODES

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Byrd Comments

page 3...."we reached an agree..."secretary of state haye wrote to senator morgan that "any true patriot of pahama would object to the provisions of the treaty (the original one)" ✓

page 6....when talk about overwhelming support througout Latin America . . . Senator questioned whether that referred back to the few countries... ✓
few people (apparently questioning "few")

~~page~~ also on page 6....that the Joint Chiefs, that these are the people who are now responsible for the defense of this nation...present joint chiefs of staff.... ✓
(the folks up here testifying against the treaties retired 10-12 years ago)

page 12 -- (2nd graph, last sentence)...the agreement leads to cooperation, not confrontation... ✓
Seantor suggests adding "between U.S. and Panama"

Page 14....ought to just quote GGeneral Brown in there some place: "The strategic value of the canal lies in its use."

page 18..."are we paying Panama to take the canal?" Senator says that we really aren't clear on that when we answer that question because we've ~~really~~ invested one set of figures (close \$1 billion) adn gotten back close to a billion....but suggests we ought to leave that whole thing out and address it later, or be a little clearer and say that ~~we~~ when we are talking about turning over the bases to them (they have some value) and to say that we do pay other countries like Spain, Greece, Turkey, Philippines for the use of their land for military purposes. (Thought we ought to be clear, or leave out all together; recommends latter.)

2/1/78

Good evening.

Seventy-five years ago, our nation signed a treaty which gave us rights to build a canal across

Panama -- to take the historic step of joining the

Atlantic and Pacific oceans. ~~Although the treaty~~ ^{I+} was

drafted here in our country and was not signed by

any Panamanian. The results of the agreement have been

of great benefit to ~~the people of Panama~~, to ourselves,

and to other ^{nations} ~~people~~ throughout the world who navigate

the high seas.

The building of the canal was one of the greatest

engineering feats of history. Although massive in

Concept and

construction, it is relatively simple in design and

Top 2
X

It has been reliable and efficient in operation. We Americans are justly and deeply proud of this great achievement.

The canal has ^{also} been a source of pride and benefit to the people of Panama -- but ^{a cause} ~~also a source~~ of some continuing discontent. Because we ^{have} ~~controlled~~ a ten-mile-wide strip of land across the heart of their country and because they considered the original terms of the agreement to be unfair, the people of Panama ^{fm P.1 *} → have never been satisfied with the treaty. * Our own Secretary of State who ^{did} ~~signed~~ the ^{original} ~~treaty~~ said it was "vastly advantageous to the United States and . . . not so advantageous to Panama."

In 1964, after consulting with former Presidents Truman and Eisenhower, President Johnson committed our

nation to work towards a new treaty with the Republic of Panama. Last summer, after 14 years of negotiation -- under two Democratic Presidents and two Republican Presidents -- we reached ^{and signed} an agreement that is fair and beneficial to both countries, ~~and~~ ^{the} United States Senate will soon be debating whether these treaties should be ratified.

Throughout the negotiations, we were determined that our national security interests would be protected; that the canal would always be open, neutral, and available to ships of all nations; that in time of need or emergency our ships would have the right to go to the head of the line for priority passage through the canal; and that our military forces would have the permanent right to defend the canal if it should ever be in danger.

The new treaties meet all of these requirements.

Let me outline the terms of the agreement:

There are two treaties -- one covering the rest of this century, and the other guaranteeing the safety, openness and neutrality of the canal after the year 1999 when Panama will be in charge of its operation.

For the rest of this century we will operate the canal under policies set by a nine-person board of directors. Five members will be from the United States, and four from Panama. Within the area of the present Canal Zone, we have the right to select whatever lands and waters our military and civilian forces need to maintain, operate, and defend the canal.

About 75 percent of those who now maintain and operate the canal are Panamanians; over the next 22 years as we manage the canal together, this percentage

- 5 -

^{will}
~~is expected to~~ increase. The Americans who work on
the canal will ^{continue to} have their rights of employment,
promotion, and retirement carefully protected. It
is important to note that the labor unions which
represent these American workers support the new
treaties.

We will share with Panama some of the fees
paid by shippers who use the canal. As in the past,
the canal should continue to be self-supporting.

This is not a partisan issue. The treaties
are ^{strongly} backed by President ^{Gerald} Ford and by ~~every living~~ former
^{Dean Rust and Henry Kissinger.} Secretaries of State. They are ~~strongly~~ endorsed by
our business and professional leaders, and especially
by those who recognize the benefits of good will and

trade with other nations in this hemisphere. They
^{Democratic leader Robert Byrd and by Republican}
are endorsed by the Senate ^{leader Howard Baker} leadership, and overwhelmingly

by the Senate Foreign Relations Committee, which this
week moved us closer to ratification. And the treaties
are supported enthusiastically by every member of the
Joint Chiefs of Staff -- General George Brown, the
Chairman; General Bernard Rogers, ^{Chief of Staff} of the Army; Admiral
James Holloway, ^{Chief of Naval Operations} ~~of the Navy~~; General David Jones, ^{Chief of Staff} of the
Air Force; and General Lewis Wilson, ^{Commandant} of the Marines ^{Corps} --
responsible men whose profession is the defense of
this nation and the preservation of our security.

The treaties also have overwhelming support
throughout Latin America, but ^{they} ~~are~~ predictably ^{they are} opposed abroad
by ^{some} ~~a few~~ who are unfriendly to the United States and
who ^{would} ~~may~~ like to see disorder in Panama and a disruption
of our political, economic and military ^{ties} ~~alliances~~ with
our friends in Central and South America and in the
Caribbean.

I know that the treaties also have been opposed by many Americans. Much of that opposition is based on misunderstanding and misinformation. I have ~~learned~~^{found} that when the full terms of the agreement are known, most people are convinced that the national interests of our country will be served best by ratifying the treaties.

Tonight I want you to hear the facts. I want to answer the most serious questions, and tell you why I feel the Panama Canal Treaties should be approved.

The most important reason -- the only reason -- to ratify the treaties is that they are in ~~our~~^{the} highest national interest^{of the United States,} and will strengthen our position in the world. Our security interests will be ~~enhanced~~^{stronger. strengthened.}
Our trade opportunities will be improved. We will demonstrate that as a large and powerful country ~~nation~~ we are

able to deal fairly and honorably with a proud but
smaller sovereign nation. We will ~~be~~ honoring our
commitment to ^{those engaged in world commerce} ~~all nations~~ that the Panama Canal will
be open and available for use by their ships -- at a
reasonable and competitive cost -- both now and in
the future.

Let me answer specifically the most common
questions about the treaties:

Will our nation have the right to protect
and defend the canal against any armed attack or ~~other~~
threat to the security of the canal or of ships going
through it?

The answer is yes, and is contained in both
treaties and ^{also} in the Statement of Understanding between
the leaders of our two nations.

The first Treaty says: "The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it."

< new page

The Neutrality Treaty says: "The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral."

< new page

The Statement of Understanding says: "Under (the Neutrality Treaty) Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations."

< new page

The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently will have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal."

It is obvious that we can take whatever military action is necessary to make sure that the canal always remains open and safe.

Of course, this does not give the United States ^{any} ~~the~~ right to intervene in the internal affairs of Panama, nor ^{would} ~~will~~ our military action ^{ever} ~~be~~ directed against the territorial integrity or political independence of Panama.

even ←
Military experts agree that, it would take a
large number of ^{American} troops to ward off ^{a heavy} an attack, and
I would not hesitate to deploy whatever armed forces
are necessary to defend the canal, and

I have no doubt that even in ^{sustained} long and protracted
combat we ^{would be successful, but even with} could defend the Panama Canal. But even if

the Panamanian armed forces joined with us as brothers
against a common enemy, ^{But} there is ^{still much} a better option than

sending our sons and grandsons to fight in the jungles
of Panama.

We would serve our interests better by
implementing the new treaties, an action that will
help to avoid any attack on the Panama Canal.

What we want is the permanent right to use the
canal -- and we can defend this right through these

treaties -- through ~~a~~ real cooperation with Panama.

ok
The citizens of Panama and their government have
already shown their support of this new partnership,
and a protocol ~~to~~ the Neutrality Treaty ~~will~~ be signed
by many other nations, thereby showing their strong
approval.

The new treaties will naturally change Panama
from a passive and sometimes deeply resentful bystander
into an active and interested partner whose vital
interests will be served by a well operated canal.

This agreement leads to cooperation, not confrontation,
between ~~the~~ our country and Panama.

Another question is: Why should we give away
the Panama Canal Zone? As many people say, "We
bought it, we paid for it, it's ours."

I must repeat ^a ~~an earlier and~~ very important point: We do not own the Panama Canal Zone -- we have never owned it. We have only had the right to use it.

The Canal Zone can not be compared with United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, and it is an integral part of the United States.

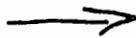
to
p 14
↓

We have ~~never~~ needed to own the Panama Canal Zone, any more than we need to own a ten-mile-wide strip of land through Canada when we build an international ^{pipe line.} gas ~~line.~~

From the beginning we have made an annual payment to Panama to use their land. You do not pay rent on

your own land. The Canal Zone has always been
Panamanian territory. The U.S. Supreme Court and
previous American Presidents have repeatedly acknowledged
the sovereignty of Panama over the Canal Zone. [We
~~cannot give back land we have never owned.~~]

fm p13



The new treaties give us what we do need --
not ownership of the canal, but the right ^{to use it and} to protect
it. ~~and to use it.~~ As General Brown the Chairman of the
Joint Chiefs of Staff has said: "The strategic value
of the canal lies in its use."

There is another question: Can our ships,
in time of need or emergency, get through the canal
immediately, instead of waiting in line?

The treaties answer that clearly by guaranteeing
that our ships will always have expeditious transit
through the canal. To make sure there could be no
possible disagreement about what these words mean,

the joint statement says that expeditious transit, and I quote, "is intended . . . to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

Will the treaties affect our standing in Latin America -- will they create a ^{so-called} "power vacuum," which our enemies might fill?

They will ~~do~~ just the opposite! The treaties will increase our nation's influence in this hemisphere, will help to reduce any mistrust and disagreement, and will remove a major source of anti-American feeling.

The new agreement has already provided vivid proof to the people of this hemisphere that a new era of friendship and cooperation is beginning, and that what they regard as the last remnant of alleged American colonialism is being removed.

Last fall I met individually with the leaders of 18 countries in this hemisphere. Between the United States and Latin America there is already a new sense of equality, a new sense of trust, and a ~~new sense of~~ mutual respect that exist because of the Panama Canal Treaties. This opens up a ^{fine} ~~new~~ opportunity for us, in good will, trade, jobs, exports, and political cooperation.

If the treaties should be rejected, this would all be lost, and disappointment and despair among our

good neighbors and traditional friends would ^{be severe.} ~~make us~~
~~worse off than had we never begun the negotiations at~~
~~all.~~

In the peaceful struggle against alien ideologies like communism, these treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

What if a new sea-level canal ^{should be needed} ~~is built~~ in the future? ^H This question has been studied over and over throughout this century, from before the canal was built up through the last few years. Every study has reached the same conclusion: that the best place to build a sea-level canal is in Panama.

8913

The treaties say that if we want to build such a canal, we will build it in Panama -- and if any canal is to be built in Panama, we will have the right to participate in the project.

This is a clear benefit to us, for it ensures that ten or twenty years from now, no unfriendly but wealthy power will be able to purchase the right to build a sea-level canal, bypass the existing canal, perhaps leaving that other nation in control of the only usable waterway through the Isthmus.

Are we paying Panama to take the canal?

We are not.

[~~A major part of~~
~~The United States' original financial investment~~
~~in the canal was about \$387 million. Since then we~~
~~have been repaid \$328 million in interest and capital~~
~~on that investment.~~] Under the new treaty any payments

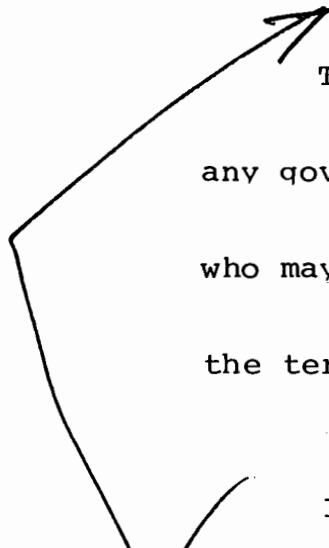
to Panama will come from tolls paid by ships which use the canal. Not one dollar of American tax money will be paid.

What about the ^{present and future} stability and the capability of the Panamanian government? Do the people themselves support the new agreement?

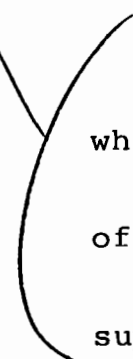
Panama and her people have been our historical allies and friends. The present leader of Panama has been in office for more than nine years and he heads a stable government which has encouraged the development of free enterprise in Panama. Democratic elections will be held this August to choose the members of the Panamanian Assembly, who will in turn elect a President ^a and ^a Vice President by majority vote. In the past, regimes have changed in Panama -- but for 75 years, no Panamanian government has ever wanted to close the

canal. Panama wants the canal open and neutral -- perhaps even more than we do. The canal's continued operation is ~~very~~ important to us, but it is much more than that to Panama.

To Panama, it is crucial. Much of her economy flows directly or indirectly from the canal. Panama would be no more likely to ^{neglect or} close the canal than we would be to close the Interstate Highway system.



The major threat to the canal comes, not from any government of Panama, but from misguided persons who may try to fan the flames of dissatisfaction with the terms of the old treaty.



In an open and free referendum last October which was monitored by the United Nations, the people of Panama gave the new treaties their ~~overwhelming~~ support.

There is a final question, about the deeper meaning of the treaties themselves -- to us and to Panama.

Recently I discussed the treaties with David McCullough, author of "The Path Between the Seas", the great history of the Panama Canal. He believes that the canal is something we ^{built} ~~made~~ and have looked after these many years; it is "ours" in that sense, which is very different from just ownership.

So when we talk of the canal, whether we are old, young, for or against the treaties, we are talking about very deep and elemental feelings about our own strength.

Still, we Americans want a more humane and stable world. We believe in good will and fairness,

as well as strength. This agreement with Panama is something we want because we know it is right. This is not merely the surest way to protect and save the canal; it is the strong, positive act of a people who are still confident, still creative, still great.

This new partnership can become a source of national pride and self-respect in much the same way as ~~building~~ ^{75 years ago.} building the canal. It is the spirit in which we act that is so very important.

Theodore Roosevelt, who was President when American~~y~~ built the canal, saw history itself as a force, and the history of our own time and the changes it has brought would not be lost on him. He knew that change was inevitable and necessary. Change is growth. The true conservative, he once remarked, keeps his face to the future.

But if Theodore Roosevelt were to endorse the treaties, as I am quite sure he would, it would be mainly because he would see the decision as one by which we are demonstrating the kind of ^{great} power we wish to be.

"We cannot avoid meeting great issues," Roosevelt said. "All that we can determine for ourselves is whether we shall meet them well or ill."

The Panama Canal is a vast, heroic expression of that age-old desire to bridge the divide and bring people closer together. This is what the treaties are all about.

We can sense what Roosevelt called "the lift toward nobler things which marks a great and generous people."

In this historic decision he would join us

in our pride for being a great and generous people,
with the national strength and wisdom
——— # ——— #
to do what is right for us and fair
to others.

JORDAN

11/31/78

✓

~~CONFIDENTIAL~~

TO: PRESIDENT CARTER
FROM: HAMILTON JORDAN *HJ*
RE: REACTION TO PANAMA DRAFT

By and large, I think that your speech is quite good. You hit the major positive elements of the treaties and deal with the major arguments against them quite effectively. There are a couple of areas which could be strengthened. Fallows is working on them, and I hope you will give serious consideration to the few changes he recommends.

As you requested, I reviewed the speech with Gabriel Lewis in my office. His reaction was very positive.

DECLASSIFIED
E.O. 12958, Sec. 3.8
PER 8/28/02 NSA RE NLC-02-051
BY BAE NARS. DATE 6/13/03

He said that the speech was "very good and reflected the basic sense of fairness you had displayed in dealing with Panama and General Torrijos". He had several very good suggestions.

1. On page 19, you say that the referendum was monitored by the OAS when it was actually monitored by the United Nations. This correction needs to be made. ✓

2. On page 18, you talk about several subjects, including the relationship which has existed between our two countries and the stability of the present government. Gabriel has several suggestions:

- a) After, "The present leader of Panama has been in office for more than nine years" Gabriel suggests that we add, "and runs a stable government that has encouraged and respected the development of free enterprise in Panama". He thinks - and I agree - that this undermines the argument that Torrijos is pro-Communist. ✓
- b) Gabriel thinks in terms of our historical relationship that we should make some mention ✓

of the fact that "Panama and her people joined us in World War II in fighting our common enemy". There is a better way of expressing this.

- c) After, "Democratic elections will be held this August to choose the members of the Panamanian Assembly", Gabriel thinks we should add, "who will in turn elect a President and Vice-President of Panama by majority vote". ✓

3. I think that the final passage from McCullough's book is eloquent. However, Sol Linowitz asked did you want to end your own speech with someone else's eloquent language. It is something worth considering, but presumes that we can develop eloquent language of our own. I think that McCullough's passage is so good that I would use it anyway.

THE MAIN THING NOW IS FOR YOU TO FINALIZE YOUR SPEECH AND HAVE AMPLE TIME TO PREPARE. BY THE TIME YOU FINISH, YOUR SPEECH WILL BE A "B" OR "B+". WITH GOOD DELIVERY, IT CAN EASILY BE AN "A".

THE WHITE HOUSE
WASHINGTON

2/1/78

rick--

this was delivered to
fallows, with a cc to
jody.

attached is for your files

thanks -- ssc

THE WHITE HOUSE
WASHINGTON

1-30-78

T. Jim Fallows

Having made 20 or 50
speeches/statements on Panama,
I was aggravated this
weekend to have your
draft of completely dif-
ferent emphases & language.

Take my scratched out
notes, past statements,
Linowitz comments, The
memo sheet's marginal notes
from one last week &
piece together something for
me to work on after the
Pres conference T.C.

①

About 75 years ago, a treaty was
signed giving the U.S. right to
build a Canal across the
Panama to join the Atlantic &
Pacific oceans. Although the
treaty was drafted here in our
country and was neither seen
nor signed by any Panamanian,
the ~~now~~ results of the agreement
have been highly beneficial
to ourselves, to the people of
Panama, and to ^{other nations of} ~~the world~~ ^{the world} those who
navigate the seas. ~~from other~~
nations

We did not buy the Panama
Canal Zone. We did not pay
for it. We did not acquire

soberly after it. We agreed
to pay Panama each year
for the right to use the
zone, and we had the right
to build, operate and to
defend the Canal.

Construction of the Canal
was one of the greatest
engineering feats of history.
It was simple in design,
and has been reliable in
operation.

Because we controlled

a ten mile wide strip ~~the~~

across the heart of Panama

and because terms of the

agreement were considered unfair

(3)

& highly favorable to the United States, the people of Panama have never been satisfied with the treaty.

Last summer, after 14 years of negotiation - under two Democratic presidents and two Republican presidents - an agreement was reached that is fair to both countries.

We were determined that our national security interests be met, * that our ships would have the right to priority and speedy passage through the Canal in time

④
of need or emergency; that
The Canal would always be
open, ^{neutral, and} available for use by
ships of all nations; and
and that the United States
military forces ~~could guarantee~~
would have the right to
defend the Canal if it
should ever be in danger.

All of these requirements
have been met, through
careful, thorough mutually
advantageous negotiations between
our two countries.

(5)

~~the~~ To repeat one important point: We do not own the Panama Canal Zone - we have never owned it. We have only had the right to use it.

This cannot be compared with United States territory. We bought Alaska from the Russian, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, ~~we~~ own this and it is an integral part of the United States.

From the beginning we

⑥
have paid rent to Panama
to use ~~the~~ land. You
do not pay rent on ~~the~~
your own land. The Canal
Zone has always been
Panama territory. We cannot
give back ~~land~~ ^{land}, we have
never owned.

①

Let me outline the terms
of the agreement:

There are two treaties,
one covering the period
from now until the end
of this century, and the
other guaranteeing the
openness and neutrality
of the canal after the
year 1999.

During this century we
will operate the canal
jointly with the Panamanians
under policies of a nine-person
board of directors. Five members
will be from the United States,
four from Panama.

⑧

Within the present Canal Zone area we can select whatever lands and waters are necessary for our military and civilian personnel to maintain, operate and defend the Canal.

The About 75% of those who maintain and operate the Canal are now Panamanians and this percentage ^{is expected to} ~~will~~ increase over the next 22 years. The rights of employment, promotion and retirement for our citizen workers are carefully protected, and labor unions

⑨

who represent these workers
have endorsed the new
treaties.

The ^{original financial investment of} United States ~~was~~
in the Canal was about
\$ million. Since then we
have received in fees from
the Canal \$ million, or
about \$. Under the
new treaty we will share
these fees with Panama.
As has been the case in
the past, the Canal is
expected ^{to continue to} to be self supporting.
There will be no U.S.
government funds paid to
Panama other than to

(10)

Continue normal tonnage fees
for passage through the
Canal.

(11)

The treaties are backed
by every living former
President and Secretary
of State. They are
supported by every member
of the Joint Chiefs of
Staff, the top leaders
of the United States army,
navy, air force and marines.
They are strongly endorsed
by our business leaders,
and professional leaders, and
especially by those who
realize the benefits of trade
with other nations in this
hemisphere. ~~In a recent~~
~~self democratic referendum,~~

(12)

They are opposed by
enemies of the United States
in Latin America, who would
like to see disorder in
Panama and a disruption
of our political, economic
and military alliances with
our friends in Central
and South America and
in the Caribbean.

The treaties are also
opposed by many Americans,
but I have learned that
when the full terms of
the agreement are known,
~~that~~ most people are
convinced that the

(13)

national interests of
~~our~~ our country will ~~be~~
be best served by
ratifying the agreement.

The treaties will
strengthen our position
in the world. Our trade
opportunities will be
improved. We will
demonstrate that as a
large and powerful
nation we are able
to deal fairly and
honorably with a proud
but smaller nation. We will
be honoring our commitment
to the other nations of

(14)

The world that the Panama
Canal will be open and
available for use by their
ships - at a reasonable
and competitive cost - both
now and in the future.

(15)

We will have the
permanent right to defend
the Canal - from a Hack
by an alien Country or
by misguided agitators.

Military experts disagree
on how many troops it
would take. Estimates range
from 50,000 to more than
100,000. I would not
hesitate to deploy whatever
armed forces are necessary to
defend the Canal.

→

The treaties, however,
give us exactly what we want -
~~give us a much better~~
a greatly reduced chance for any
~~opportunity to avoid any~~
organized threat or a Hack

(10)

on the Canal. The citizens
of Panama will be
overwhelmingly in support
of the new partnership,
and the neutrality treaty
will be signed by many
other nations.

#

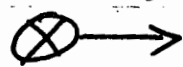
We want the Canal
to ~~become~~ ~~be kept~~
be operated safely without
the use of military
troops in combat - through
a real partnership with
Panama and with the
support of many other
nations.

(17)

The new treaties change Panama from a passive and sometimes hostile bystander into an active & interested partner. The agreement leads to cooperation, not confrontation. Our influence and friendship within this hemisphere will be increased; rather than giving our enemies an opportunity to exploit. The treaties will remove a major source of anti-American feeling.

(18)

For more than a hundred years, studies have shown that the best site for a possible sea level canal would be through the present territory of the Republic of Panama. During the last decade ~~the~~ an extensive study ~~of~~ by the United States confirmed this fact.



The ~~new~~ ^{new} agreement provides that if we participate in building a new canal ~~that~~, it will be in Panama. More importantly for us, the

(19)

treaties provide that if
a new canal is built,
that we will have the
right to participate in
this project with Panama.

Q ~~I consider this to be~~
~~important because~~ A very
serious problem could be
faced by a future President
and the American people
of the United States if
some ^{unfriendly} ~~alien~~ but wealthy
foreign power could obtain
the right to construct a
new and larger canal
through Panama, bypassing
the present canal.

THE WHITE HOUSE
WASHINGTON

Do you want copies sent to:

Ham ✓
Fallows ✓
Jody ✓
Zbig ✓
Frank ✓
~~Vance~~

Vice President ✓
~~RSC~~

~~Linowitz~~ ?

Others? _____

Returned to you by 1:30 p.m.

Mark "Personal."
No copies

Draft 7

Jody Powell

2/1/78



Good evening.

Seventy-five years ago, our nation signed a treaty which gave us rights to build a canal across Panama -- to take the historic step of joining the Atlantic and Pacific oceans. Although the treaty was drafted here in our country and was not signed by any Panamanian, the results of the agreement have been of great benefit to the people of Panama, to ourselves, and to other people throughout the world who navigate the high seas.

The building of the canal was one of the greatest engineering feats of history. Although massive in construction, it is relatively simple in design and

it has been reliable and efficient in operation. We Americans are justly and deeply proud of this great achievement.

The canal has been a source of pride and benefit to the people of Panama -- but also a source of some continuing discontent. Because we controlled a ten-mile-wide strip of land across the heart of their country and because they considered the original terms of the agreement to be unfair, the people of Panama have never been satisfied with the treaty. Our own Secretary of State who signed the treaty said it was "vastly advantageous to the United States and . . . not so advantageous to Panama."

In 1964, after consulting with former Presidents Truman and Eisenhower, President Johnson committed our

nation to work towards a new treaty with the Republic of Panama. Last summer, after 14 years of negotiation -- under two Democratic Presidents and two Republican Presidents -- we reached an agreement that is fair and beneficial to both countries, and *(now in Senate)* the United States Senate will soon be debating whether these treaties should be ratified.

Throughout the negotiations, we were determined that our national security interests would be protected; that the canal would always be open, neutral, and available to ships of all nations; that in time of need or emergency our ships would have the right to go to the head of the line for priority passage through the canal; and that our military forces would have the permanent right to defend the canal if it should ever be in danger.

The new treaties meet all of these requirements.

Let me outline the terms of the agreement:

There are two treaties -- one covering the rest of this century, and the other guaranteeing the safety, openness and neutrality of the canal after the year 1999 when Panama will be in charge of its operation.

For the rest of this century we will operate the canal under policies set by a nine-person board of directors. Five members will be from the United States, and four from Panama. Within the area of the present Canal Zone, we have the right to select whatever lands and waters our military and civilian forces need to maintain, operate, and defend the canal.

About 75 percent of those who now maintain and operate the canal are Panamanians; over the next 22 years as we manage the canal together, this percentage

is expected to increase. The Americans who work on the canal will have their rights of employment, promotion, and retirement carefully protected. It is important to note that the labor unions which represent these American workers support the new treaties.

We will share with Panama some of the fees paid by shippers who use the canal. As in the past, the canal should continue to be self-supporting.

This is not a partisan issue. The treaties are backed by President Ford and by every living former Secretary of State. They are strongly endorsed by our business and professional leaders, and especially by those who recognize the benefits of good will and trade with other nations in this hemisphere. They are endorsed by the Senate leadership, and overwhelmingly

by the Senate Foreign Relations Committee, which this week moved us closer to ratification. And the treaties are supported enthusiastically by every member of the Joint Chiefs of Staff -- General George Brown, the Chairman, ^{of the JCS} General Bernard Rogers ^{Chief of Staff} of the Army; Admiral James Holloway ^{Chief of Naval Operations} of the Navy; General David Jones ^{Chief of Staff} of the Air Force; and General Lewis Wilson ^{Commander} of the Marines ^{Capt} -- responsible men whose profession is the defense of this nation and the preservation of our security.

The treaties also have overwhelming support throughout Latin America, but are predictably opposed by a few who are ^{hostile} [unfriendly] to the United States and who may like to see disorder in Panama and a disruption of our political, economic and military alliances with our friends in Central and South America and in the Caribbean.

I know that the treaties also have been opposed by many Americans. Much of that opposition is based on misunderstanding and misinformation. I have ~~learned~~ *found* that when the full terms of the agreement are known, most people are convinced that the national interests of our country will be served best by ratifying the treaties.

Tonight I want you to hear the facts. I want to answer the most serious questions, and tell you why I feel the Panama Canal Treaties should be approved.

The most important reason -- the only reason -- to ratify the treaties is that they are in our highest national interest and will strengthen our position in the world. Our security interests will be enhanced. Our trade opportunities will be improved. We will demonstrate that as a large and powerful nation we are

able to deal fairly and honorably with a proud but smaller sovereign nation. We will be honoring our commitment to all nations that the Panama Canal will be open and available for use by their ships -- at a reasonable and competitive cost -- both now and in the future.

Let me answer specifically the most common questions about the treaties.

Will our nation have the right to protect and defend the canal against any armed attack or [other] threat to the security of the canal or of ships going through it?

The answer is yes, and is contained in both treaties and in the Statement of Understanding between the leaders of our two nations.

The first Treaty says: "The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it."

The Neutrality Treaty says: "The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral."

The Statement of Understanding says: "Under (the Neutrality Treaty) Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations."

The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently will have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal."

It is obvious that we can take whatever military action is necessary to make sure that the canal always remains open and safe.

Of course, this does not give the United States the right to intervene in the internal affairs of Panama, nor will our military action be directed against the territorial integrity or political independence of Panama.

Military experts agree that it would take a large number of troops to ward off an attack, ~~and~~ I would not hesitate to deploy whatever armed forces are necessary to defend the canal, *and*

↳ I have no doubt that even in long and protracted combat we could defend the Panama Canal. But *even if* the Panamanian armed forces joined with us as brothers against a common enemy, there is a better option than sending our sons and grandsons to fight in the jungles of Panama.

We would serve our interests better by implementing the new treaties, an action that will help to avoid any attack on the Panama Canal.

[What we want is the permanent right to use the canal -- and we can defend this right through these

treaties -- through a real cooperation with Panama.]

The citizens of Panama and their government have already shown their support of this new partnership, and a protocol to the Neutrality Treaty will be signed by many other nations, thereby showing their strong approval.

The new treaties will naturally change Panama from a passive and sometimes deeply resentful bystander into an active and interested partner whose vital interests will be served by a well operated canal. The agreement leads to cooperation, not confrontation.

Another question is: Why should we give away the Panama Canal Zone? As many people say, "We bought it, we paid for it, it's ours."

I must repeat an earlier and very important point: We do not own the Panama Canal Zone -- we have never owned it. We have only had the right to use it.

The Canal Zone can not be compared with United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, and it is an integral part of the United States.

top. 14

We have never needed to own the Panama Canal Zone, any more than we need to own a ten-mile-wide strip of land through Canada when we build an international gas line.

From the beginning we have made an annual payment to Panama to use their land. You do not pay rent on

your own land. The Canal Zone has always been

Panamanian territory. The U.S. Supreme Court and

previous American Presidents have repeatedly acknowledged

the sovereignty of Panama over the Canal Zone. We

cannot give back land we have never owned.

prop. 13 → The new treaties give us what we do need --

not ownership of the canal, but the right to protect

it and to use it.

There is another question: Can our ships,

in time of need or emergency, get through the canal

immediately, instead of waiting in line?

The treaties answer that clearly by guaranteeing

that our ships will always have expeditious transit

through the canal. To make sure there could be no

possible disagreement about what these words mean,

the joint statement says that expeditious transit, and I quote, "is intended to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

Will the treaties affect our standing in Latin America -- will they create a ^(so-called) "power vacuum," which our enemies might fill?

They will do just the opposite! The treaties will increase our nation's influence in this hemisphere, will help to reduce any mistrust and disagreement, and will remove a major source of anti-American feeling.

The new agreement has already provided vivid proof to the people of this hemisphere that a new era of friendship and cooperation is beginning, and that what they regard as the last remnant of alleged American colonialism is being removed.

Last fall I met individually with the leaders of 19 countries in this hemisphere. Between the United States and Latin America there is already a new sense of equality, a new sense of trust, and a new sense of mutual respect that exist because of the Panama Canal Treaties. This opens up a new opportunity for us, in good will, trade, jobs, exports, and political cooperation.

If the treaties should be rejected, this would all be lost, and disappointment and despair among our

good neighbors and traditional friends would make us worse off than had we never begun the negotiations at all.

In the peaceful struggle against alien ideologies like communism, these treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

What if a new sea-level canal is built in the future? ⁹ This question has been studied over and over throughout this century, from before the canal was built up through the last few years. Every study has reached the same conclusion: that the best place to build a sea-level canal is in Panama.

The treaties say that if we want to build such a canal, we will build it in Panama -- and if any canal is to be built in Panama, we will have the right to participate in the project.

This is a clear benefit to us, for it ensures that ten or twenty years from now, no unfriendly but wealthy power will be able to purchase the right to build a sea-level canal, bypass the existing canal, perhaps leaving that other nation in control of the only usable waterway through the Isthmus.

Are we paying Panama to take the canal?

We are not.

The United States' original financial investment in the canal was about \$387[?] million. Since then we have been repaid \$328[?] million in interest and capital on that investment. Under the new treaty any payments

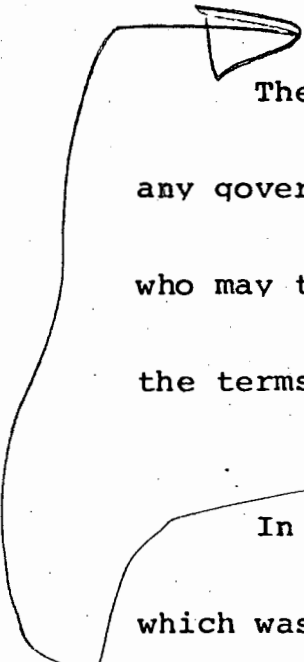
to Panama will come from tolls paid by ships which use the canal. Not one dollar of American tax money will be paid.

What about the stability and the capability of the Panamanian government? Do the people themselves support the new agreement?

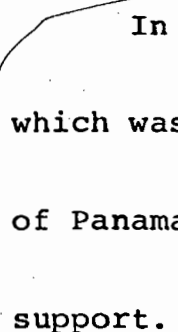
Panama and her people have been our historical allies and friends. The present leader of Panama has been in office for more than nine years and he heads a stable government which has encouraged the development of free enterprise in Panama. Democratic elections will be held this August to choose the members of the Panamanian Assembly, who will in turn elect a President and Vice President by majority vote. In the past, regimes have changed in Panama -- but for 75 years, no Panamanian government has ever wanted to close the

canal. Panama wants the canal open and neutral -- perhaps even more than we do. The canal's continued operation is very important to us, but it is much more than that to Panama.

To Panama, it is crucial. Much of her economy flows directly or indirectly from the canal. Panama would be no more likely to close the canal than we would be to close the Interstate Highway system.



The major threat to the canal comes, not from any government of Panama, but from misguided persons who may try to fan the flames of dissatisfaction with the terms of the old treaty.



In an open and free referendum last October which was monitored by the United Nations, the people of Panama gave the new treaties their overwhelming support.

There is a final question, about the deeper meaning of the treaties themselves -- to us and to Panama.

Recently I discussed the treaties with David McCullough, author of "The Path Between the Seas", the great history of the Panama Canal. He believes that the canal is something we made and have looked after these many years; it is "ours" in that sense, which is very different from just ownership.

So when we talk of the canal, whether we are old, young, for or against the treaties, we are talking about very deep and elemental feelings about our own strength.

Still we Americans want a more humane and stable world. We believe in good will and fairness,

as well as strength. This agreement with Panama is something we want because we know it is right. This is not merely the surest way to protect and save the canal; it is the strong, positive act of a people who are still confident, still creative, still great.

This new partnership can become a source of national pride and self-respect in much the same way as building the canal. It is the spirit in which we act that is so very important.

Theodore Roosevelt, who was President when American built the canal, saw history itself as a force, and the history of our own time and the changes it has brought would not be lost on him. He knew that change was inevitable and necessary. Change is growth. The true conservative, he once remarked, keeps his face to the future.

But if Theodore Roosevelt were to endorse the treaties, as I am quite sure he would, it would be mainly because he would see the decision as one by which we are demonstrating the kind of power we wish to be.

"We cannot avoid meeting great issues," Roosevelt said. "All that we can determine for ourselves is whether we shall meet them well or ill."

The Panama Canal is a vast, heroic expression of that age-old desire to bridge the divide and bring people closer together. This is what the treaties are all about.

We can sense what Roosevelt called "the lift toward nobler things which marks a great and generous people."

In this historic decision he would join us
in our pride for being a great and generous people.

#

Draft 7

2/1/78

from 267.

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P.2

This point is jarring, and doesn't come across in the very opening of the speech

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proposed changes

pp 1, 2, 6, 10, 11, 14, 24

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The canal has been a source of pride and benefit to the people of Panama -- but also a source of some continuing discontent. Because we controlled a ten-mile-wide strip of land across the heart of their country and because they considered the original terms of the agreement to be unfair, the people of Panama have never been satisfied with the treaty. Our own Secretary of State who signed the treaty said it was "vastly advantageous to the United States and . . . not so advantageous to Panama."

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nation to work towards a new treaty with the Republic of Panama. Last summer, after 14 years of negotiation -- under two Democratic Presidents and two Republican Presidents -- we reached an agreement that is fair and beneficial to both countries, and the United States Senate will soon be debating whether these treaties should be ratified.

Throughout the negotiations, we were determined that our national security interests would be protected; that the canal would always be open, neutral, and available to ships of all nations; that in time of need or emergency our ships would have the right to go to the head of the line for priority passage through the canal; and that our military forces would have the permanent right to defend the canal if it should ever be in danger.

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your own land. The Canal Zone has always been Panamanian territory. The U.S. Supreme Court and previous American Presidents have repeatedly acknowledged the sovereignty of Panama over the Canal Zone. We cannot give back land we have never owned.

The new treaties give us what we do need -- not ownership of the canal, but the right ^{and} to protect it, and to use it.

There is another question: Can our ships, in time of need or emergency, get through the canal immediately, instead of waiting in line?

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In this historic decision he would join us
true to ourselves:
in our pride for being a ~~great and generous~~ people.

#

it doesn't sound
right because it
is a repetition
of last line on
p. 23.

THE WHITE HOUSE

WASHINGTON

February 1, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS *JF*

SUBJECT: Last Draft of Panama Speech

I think this is very good. You'll be happily surprised to find that I am mainly recommending cuts.

1) Page 1: I still believe this passage is confusing. At the least, it will make most people stop and think, "How could the Treaty ever have gone into effect, if the other guys never signed it?" Rather than confusing them this early, I recommend something like "...drafted here in this country and signed by a foreign or "French" or "hired" or "outside" intermediary before any Panamanian had seen it..." You could also say "agent" instead of "intermediary." ✓

2) Page 6: I got a call this morning from Bob Thomson of Congressional Liaison, who had just met with Senators Baker and Byrd. They emphasized to him how eager they were to have some recognition in the speech of the amendments proposed for the Treaties. If they had their way, you'd say something like, "The Foreign Relations Committee has recommended significant changes in the Treaties, which we reluctantly accept." Thomson believes you can satisfy them by simply mentioning, without editorial comment, that amendments have been made. For example, you could end this sentence: "...closer to ratification, by approving the Treaties with amendments."

Hamilton suggests something like, "The Committee has suggested reasonable changes, that will receive our careful consideration"; but he says he ultimately defers to Frank Moore and his staff. I think Thomson's proposal is a good one.

3) Page 9: There is an awful lot of treaty language here. Can't we cut the first one, which is not really that persuasive?

4) Page 11: If we cut this section, we remove the chance that people will have to stop and think about peripheral issues ("Does he mean that maybe we'll have to fight against the Panamanian army?") and still make our point.

5) Page 13: Tiny change -- gas pipeline, instead of line.

6) Page 19: I suspect that most people are just not going to be convinced of Torrijos' virtues. Instead of bringing the whole issue up, why not just cut it?

Addendum:

I met in Hamilton's office with Hamilton, Rafshoon, Bob Pastor of the NSC, and Jack Marsh of the Panama Committee. Their additional recommendations are:

A) Page 3: Pastor recommends cutting this, since it was not really a goal of the negotiation, and is not anywhere near as important as the other two goals. I agree.

B) Page 5: minor style change.

C) Page 5: Marsh says that no one has checked with William Rogers. He recommends -- and Hamilton agrees -- saying "...and by former Secretaries of State Henry Kissinger and Dean Rusk."

D) Page 6: Marsh, Hamilton, and Rafshoon recommend stretching out the JCS even further, by giving their full titles (i.e., General Bernard Rogers, Chief of Staff of the Army). I think that would be overdoing it.

E) Page 6: Hamilton feels this makes it clear we're not talking about American opponents of the treaty.

F) Page 10: Marsh recommends including at this point the ~~fact~~ that the Treaties forbid any other nation from establishing a military base in Panama.

G) Page 16: Pastor swears it's only 18 leaders that you met. He says you were the 19th.

H) Page 17: Pastor says this implies that we could as easily have chosen not to negotiate in 1964, and are now paying price for our own soft-heartedness. He recommends ending the sentence "...traditional friends would be severe."

#

Page 4: Pastor contends that this is not part of the Treaty and that you should cut the sentence.

Draft 7

JIM FALLONS

2/1/78

Good evening.

Seventy-five years ago, our nation signed a treaty which gave us rights to build a canal across Panama -- to take the historic step of joining the Atlantic and Pacific oceans. Although the treaty was drafted here in our country and was [not signed by (1) any Panamanian] the results of the agreement have been of great benefit to the people of Panama, to ourselves, and to other people throughout the world who navigate the high seas.

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The building of the canal was one of the greatest engineering feats of history. Although massive in construction, it is relatively simple in design and

it has been reliable and efficient in operation. We Americans are justly and deeply proud of this great achievement.

The canal has been a source of pride and benefit to the people of Panama -- but also a source of some continuing discontent. Because we controlled a ten-mile-wide strip of land across the heart of their country and because they considered the original terms of the agreement to be unfair, the people of Panama have never been satisfied with the treaty. Our own Secretary of State who signed the treaty said it was "vastly advantageous to the United States and . . . not so advantageous to Panama."

In 1964, after consulting with former Presidents Truman and Eisenhower, President Johnson committed our

nation to work towards a new treaty with the Republic of Panama. Last summer, after 14 years of negotiation -- under two Democratic Presidents and two Republican Presidents -- we reached an agreement that is fair and beneficial to both countries, and the United States Senate will soon be debating whether these treaties should be ratified.

Throughout the negotiations, we were determined that our national security interests would be protected; that the canal would always be open, neutral, and available to ships of all nations; [that in time of need or emergency our ships would have the right to go to the head of the line for priority passage through the canal;] and that our military forces would have the permanent right to defend the canal if it should ever be in danger.

(A)

The new treaties meet all of these requirements.

Let me outline the terms of the agreement:

There are two treaties -- one covering the rest of this century, and the other guaranteeing the safety, openness and neutrality of the canal after the year 1999 when Panama will be in charge of its operation.

For the rest of this century we will operate the canal under policies set by a nine-person board of directors. Five members will be from the United States, and four from Panama. [Within the area of

(X) the present Canal Zone, we have the right to select whatever lands and waters our military and civilian forces need to maintain, operate, and defend the canal.]

About 75 percent of those who now maintain and operate the canal are Panamanians; over the next 22 years as we manage the canal together, this percentage

will
B [is expected] to increase. The Americans who work on the canal will have their rights of employment, promotion, and retirement carefully protected. It is important to note that the labor unions which represent these American workers support the new treaties.

We will share with Panama some of the fees paid by shippers who use the canal. As in the past, the canal should continue to be self-supporting.

C This is not a partisan issue. The treaties are backed by President Ford and by [every living former Secretary of State.] They are strongly endorsed by our business and professional leaders, and especially by those who recognize the benefits of good will and trade with other nations in this hemisphere. They are endorsed by the Senate leadership, and overwhelmingly

by the Senate Foreign Relations Committee, which this week moved us closer to ratification. ^(Z) And the treaties are supported enthusiastically by every member of the Joint Chiefs of Staff -- General George Brown, the ^(D) Chairman; General Bernard Rogers of the Army; Admiral James Holloway of the Navy; General David Jones of the Air Force; and General Lewis Wilson of the Marines -- responsible men whose profession is the defense of this nation and the preservation of our security.

The treaties also have overwhelming support throughout Latin America, but are predictably opposed by a few ^{here} ^(E) who are unfriendly to the United States and who may like to see disorder in Panama and a disruption of our political, economic and military alliances with our friends in Central and South America and in the Caribbean.

I know that the treaties also have been opposed by many Americans. Much of that opposition is based on misunderstanding and misinformation. I have learned that when the full terms of the agreement are known, most people are convinced that the national interests of our country will be served best by ratifying the treaties.

Tonight I want you to hear the facts. I want to answer the most serious questions, and tell you why I feel the Panama Canal Treaties should be approved.

The most important reason -- the only reason -- to ratify the treaties is that they are in our highest national interest and will strengthen our position in the world. Our security interests will be enhanced. Our trade opportunities will be improved. We will demonstrate that as a large and powerful nation we are

able to deal fairly and honorably with a proud but smaller sovereign nation. We will be honoring our commitment to all nations that the Panama Canal will be open and available for use by their ships -- at a reasonable and competitive cost -- both now and in the future.

Let me answer specifically the most common questions about the treaties.

Will our nation have the right to protect and defend the canal against any armed attack or other threat to the security of the canal or of ships going through it?

The answer is yes, and is contained in both treaties and in the Statement of Understanding between the leaders of our two nations.

③ [The first Treaty says: "The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it."]

The Neutrality Treaty says: "The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral."

The Statement of Understanding says: "Under (the Neutrality Treaty) Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations."

The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently will have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal."

It is obvious that we can take whatever military action is necessary to make sure that the canal always remains open and safe.

(F)

Of course, this does not give the United States the right to intervene in the internal affairs of Panama, nor will our military action be directed against the territorial integrity or political independence of Panama.

Military experts agree that it would take a large number of troops to ward off an attack, and I would not hesitate to deploy whatever armed forces are necessary to defend the canal.

(4) I have no doubt that even in long and protracted combat we could defend the Panama Canal. But [even if the Panamanian armed forces joined with us as brothers against a common enemy,] there is a better option than sending our sons and grandsons to fight in the jungles of Panama.

We would serve our interests better by implementing the new treaties, an action that will help to avoid any attack on the Panama Canal.

What we want is the permanent right to use the canal -- and we can defend this right through these

treaties -- through a real cooperation with Panama.

The citizens of Panama and their government have already shown their support of this new partnership, and a protocol to the Neutrality Treaty will be signed by many other nations, thereby showing their strong approval.

The new treaties will naturally change Panama from a passive and sometimes deeply resentful bystander into an active and interested partner whose vital interests will be served by a well operated canal. The agreement leads to cooperation, not confrontation.

Another question is: Why should we give away the Panama Canal Zone? As many people say, "We bought it, we paid for it, it's ours."

I must repeat an earlier and very important point: We do not own the Panama Canal Zone -- we have never owned it. We have only had the right to use it.

The Canal Zone can not be compared with United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, and it is an integral part of the United States.

We have never needed to own the Panama Canal Zone, any more than we need to own a ten-mile-wide strip of land through Canada when we build an international ^{pipe} gasline.



From the beginning we have made an annual payment to Panama to use their land. You do not pay rent on

your own land. The Canal Zone has always been Panamanian territory. The U.S. Supreme Court and previous American Presidents have repeatedly acknowledged the sovereignty of Panama over the Canal Zone. We cannot give back land we have never owned.

The new treaties give us what we do need -- not ownership of the canal, but the right to protect it and to use it.

There is another question: Can our ships, in time of need or emergency, get through the canal immediately, instead of waiting in line?

The treaties answer that clearly by guaranteeing that our ships will always have expeditious transit through the canal. To make sure there could be no possible disagreement about what these words mean,

the joint statement says that expeditious transit, and I quote, "is intended . . . to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

Will the treaties affect our standing in Latin America -- will they create a "power vacuum," which our enemies might fill?

They will do just the opposite! The treaties will increase our nation's influence in this hemisphere, will help to reduce any mistrust and disagreement, and will remove a major source of anti-American feeling.

The new agreement has already provided vivid proof to the people of this hemisphere that a new era of friendship and cooperation is beginning, and that what they regard as the last remnant of alleged American colonialism is being removed.

(G) Last fall I met individually with the leaders of 19 countries in this hemisphere. Between the United States and Latin America there is already a new sense of equality, a new sense of trust, and a new sense of mutual respect that exist because of the Panama Canal Treaties. This opens up a new opportunity for us, in good will, trade, jobs, exports, and political cooperation.

If the treaties should be rejected, this would all be lost, and disappointment and despair among our



good neighbors and traditional friends would make us worse off than had we never begun the negotiations at all.

In the peaceful struggle against alien ideologies like communism, these treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

What if a new sea-level canal is built in the future? This question has been studied over and over throughout this century, from before the canal was built up through the last few years. Every study has reached the same conclusion: that the best place to build a sea-level canal is in Panama.

The treaties say that if we want to build such a canal, we will build it in Panama -- and if any canal is to be built in Panama, we will have the right to participate in the project.

This is a clear benefit to us, for it ensures that ten or twenty years from now, no unfriendly but wealthy power will be able to purchase the right to build a sea-level canal, bypass the existing canal, perhaps leaving that other nation in control of the only usable waterway through the Isthmus.

Are we paying Panama to take the canal?

We are not.

The United States' original financial investment in the canal was about \$387 million. Since then we have been repaid \$328 million in interest and capital on that investment. Under the new treaty any payments

to Panama will come from tolls paid by ships which use the canal. Not one dollar of American tax money will be paid.

What about the stability and the capability of the Panamanian government? Do the people themselves support the new agreement?

Panama and her people have been our historical allies and friends. [The present leader of Panama has been in office for more than nine years and he heads a stable government which has encouraged the development of free enterprise in Panama. Democratic elections will be held this August to choose the members of the Panamanian Assembly, who will in turn elect a President and Vice President by majority vote.] In the past, regimes have changed in Panama -- but for 75 years, no Panamanian government has ever wanted to close the

6

canal. Panama wants the canal open and neutral -- perhaps even more than we do. The canal's continued operation is very important to us, but it is much more than that to Panama.

To Panama, it is crucial. Much of her economy flows directly or indirectly from the canal. Panama would be no more likely to close the canal than we would be to close the Interstate Highway system.

The major threat to the canal comes, not from any government of Panama, but from misguided persons who may try to fan the flames of dissatisfaction with the terms of the old treaty.

In an open and free referendum last October which was monitored by the United Nations, the people of Panama gave the new treaties their overwhelming support.

There is a final question, about the deeper meaning of the treaties themselves -- to us and to Panama.

Recently I discussed the treaties with David McCullough, author of "The Path Between the Seas", the great history of the Panama Canal. He believes that the canal is something we made and have looked after these many years; it is "ours" in that sense, which is very different from just ownership.

So when we talk of the canal, whether we are old, young, for or against the treaties, we are talking about very deep and elemental feelings about our own strength.

Still we Americans want a more humane and stable world. We believe in good will and fairness,

as well as strength. This agreement with Panama is something we want because we know it is right. This is not merely the surest way to protect and save the canal; it is the strong, positive act of a people who are still confident, still creative, still great.

This new partnership can become a source of national pride and self-respect in much the same way as building the canal. It is the spirit in which we act that is so very important.

Theodore Roosevelt, who was President when American built the canal, saw history itself as a force, and the history of our own time and the changes it has brought would not be lost on him. He knew that change was inevitable and necessary. Change is growth. The true conservative, he once remarked, keeps his face to the future.

But if Theodore Roosevelt were to endorse the treaties, as I am quite sure he would, it would be mainly because he would see the decision as one by which we are demonstrating the kind of power we wish to be.

"We cannot avoid meeting great issues," Roosevelt said. "All that we can determine for ourselves is whether we shall meet them well or ill."

The Panama Canal is a vast, heroic expression of that age-old desire to bridge the divide and bring people closer together. This is what the treaties are all about.

We can sense what Roosevelt called "the lift toward nobler things which marks a great and generous people."

In this historic decision he would join us
in our pride for being a great and generous people.

#

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Return by
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ORIG

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Panama, ~~and~~ to take the historic step of joining the
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to ourselves, and to other ^{people throughout} ~~[nations]~~ of the world who
navigate the high seas.

*for
PZ #7*

[Contrary to some claims and beliefs, we did not
buy the Panama Canal Zone. ~~[We did not pay for it.]~~
We did not acquire sovereignty over it. We agreed to
pay Panama a fee each year for the right to use the
Zone, and we gained the right to build, operate and to
defend the Canal.]

The building of the Canal was one of the
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massive in construction, it ^{is} ~~was~~ relatively simple
in design, *it has been reliable and efficient* ~~and it has been reliable and efficient~~
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The new Treaties meet all of these requirements.

Let me outline the terms of the agreement:

There are two Treaties, one covering the
^{rest}
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after the year 1999, *when Panama will be in
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~~[It is not true that we are paying Panama to take
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Military experts ~~disagree on how many~~ troops
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I have no doubt that even in long and protracted combat we could defend the Panama Canal. But even if the Panamanian armed forces joined with us as brothers against a common enemy, there is a better option than *sending our sons and grandsons to fight* war in the jungles of Panama.

We would serve our interests better by implementing the new Treaties, an action that will help to avoid any attack on the Panama Canal.

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Another question is: Why should we give away the Panama Canal Zone, ^{As many ~~poor~~ people say, "We} ~~which many people think we own?~~ bought, we paid for it, it's ours."

I must repeat an earlier and very important point: We do not own the Panama Canal Zone -- we have never owned it. We have only had the right to use it.

The Canal Zone can not be compared with United States territory. We bought Alaska from the Russians, and no one has ever doubted that we own it. We bought the Louisiana Territories from France, and it is an integral part of the United States.

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Anti-American

Agitators and dissident groups know full well that their best opportunity to gain influence would come through disruption of our friendly relations with Panama and the other nations of the Western hemisphere.

In the peaceful struggle against alien ideologies like communism, these Treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

What if a new sea-level canal is built in the future? *This question has been studied over and over throughout this century, from before the* For more than a hundred years, studies have shown that the best site for a possible sea level canal was built *up through* ~~through~~ *the last few* years. Every study has reached the same conclusion: that the best place to build a sea-level canal is in Panama. During the past decade an extensive study by the United States government again confirmed this fact.

The Treaties say that if we want to build ^{such} a canal, we will build it in Panama -- and if ^{any} canal is to be built in Panama, we will have the right to participate in the project.

This is a clear benefit to us, for it ensures that ten or twenty years from now, no unfriendly but wealthy power will be able to, ^{negotiate} ~~bid with the Panamanians~~ ^{purchase the right} to build a sea-level canal, bypass the existing Canal, perhaps leaving that other nation ^{in control of} ~~with~~ the only usable waterway through the Isthmus.

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Panama.

Note: Punctuation and Spacing of Ellipses in Quotes
from McCullough are Technically Correct; Please do not
change

- 20 -

Recently I have discussed the treaties with

David McCullough, author of "The Path Between

~~the~~ ^{the great history of the} ~~Two Seas~~, ~~wrote me a letter about the~~ Panama Canal.

~~Treaties. Let me summarize his letter:~~

He believes that the

~~The~~ canal is something we made and have looked

after these many years; it is 'ours' in that sense,

which is very different from just ownership. —

"So when we talk of the canal, whether we are

old, young, for or against the treaties, we are talking

about very ^{deep and} elemental feelings about our own strengths. —

"Still . . . we ^{Americans want} ~~want, all of us,~~ a more humane

and stable world. We believe in good will, ^{and fairness,} as well as

strength. — ^{This agreement with Panama}

"~~This~~ ^{want} is something we ~~do~~ because we know

it is right. This is not merely the surest way to ^{protect and}

^{the} ~~SAVE OUR CANAL~~ ^{save the canal,} it is the strong, positive act of a

people who are
still confident, still creative, still ^{great.} purposeful.

people.

This ^{new partnership} can become a source of national
pride and self-respect in much the ^{same} way, building the
canal, ~~was~~. It is the spirit in which we act that
is so very important.

~~"I think of what Theodore Roosevelt might say~~
~~when the canal was built, America built the canal,~~
~~were he alive today.~~ He saw history itself as

a force, and the history of our own time and the
changes it has brought would not be lost on him.

He knew that change
~~change~~ was inevitable, ~~he knew~~, and necessary.

^{is}
Change ~~was~~ growth. The true conservative, he once
remarked, keeps his face to the future.

~~"(I) t is hard to picture him dismissing or~~
~~discounting such testimony to the military value of the~~
~~treaties as voiced by the Joint Chiefs.~~

if Theodore Roosevelt

"But ~~he~~ were ~~he~~ to endorse the treaties, as I am

quite sure he would, it would be mainly because he

would see the decision as one by which we are

demonstrating the kind of power we wish to be. ~~For~~

and Americans of his day

~~Roosevelt, the canal was a gateway to the very different~~

~~and uncertain new world of the new twentieth century,~~

~~a world in which the United States had no choice but~~

~~to play a major part.~~

"We cannot avoid meeting great issues,"

~~Theodore~~ Roosevelt said. "All that we can determine

for ourselves is whether we shall meet them well or

ill." _____

"The Panama Canal is a vast, heroic expression

of that age-old desire to bridge the divide and bring

people closer together. . . . ~~(T)~~ This ~~too~~ is what the

Treaties are all about."

In this historic decision ~~we~~ we can sense what
Roosevelt called "the lift toward nobler things which
marks a great and generous people."

~~not a bit~~
~~of a~~

#

→ ~~He~~^{he} would join us in our pride
for being a great and generous people.

THE WHITE HOUSE
WASHINGTON

rick--

final speech text
for panama canal fireside
chat

--SSC

PRESIDENT JIMMY CARTER
PANAMA CANAL FIRESIDE CHAT

FEBRUARY 1, 1978

GOOD EVENING.

SEVENTY-FIVE YEARS AGO, OUR NATION SIGNED A
TREATY WHICH GAVE US RIGHTS TO BUILD A CANAL ACROSS
PANAMA -- TO TAKE THE HISTORIC STEP OF JOINING THE
ATLANTIC AND PACIFIC OCEANS.

THE RESULTS OF THE AGREEMENT HAVE BEEN OF GREAT
BENEFIT TO OURSELVES, AND TO OTHER NATIONS THROUGHOUT
THE WORLD WHO NAVIGATE THE HIGH SEAS.

THE BUILDING OF THE CANAL WAS ONE OF THE GREATEST
ENGINEERING FEATS OF HISTORY. ALTHOUGH MASSIVE IN
CONCEPT AND CONSTRUCTION, IT IS RELATIVELY SIMPLE IN
DESIGN AND HAS BEEN RELIABLE AND EFFICIENT IN OPERATION.

WE AMERICANS ARE JUSTLY . . .

WE AMERICANS ARE JUSTLY AND DEEPLY PROUD OF THIS GREAT ACHIEVEMENT.

THE CANAL HAS ALSO BEEN A SOURCE OF PRIDE AND BENEFIT TO THE PEOPLE OF PANAMA -- BUT A CAUSE OF SOME CONTINUING DISCONTENT.

BECAUSE WE HAVE CONTROLLED A TEN-MILE-WIDE STRIP OF LAND ACROSS THE HEART OF THEIR COUNTRY AND BECAUSE THEY CONSIDERED THE ORIGINAL TERMS OF THE AGREEMENT TO BE UNFAIR, THE PEOPLE OF PANAMA HAVE NEVER BEEN SATISFIED WITH THE TREATY.

IT WAS DRAFTED HERE IN OUR COUNTRY AND WAS NOT SIGNED BY ANY PANAMANIAN. OUR OWN SECRETARY OF STATE WHO DID SIGN THE ORIGINAL TREATY SAID IT WAS "VASTLY ADVANTAGEOUS TO THE UNITED STATES AND . . . NOT SO ADVANTAGEOUS TO PANAMA."

IN 1964, AFTER CONSULTING WITH FORMER PRESIDENTS TRUMAN AND EISENHOWER, PRESIDENT JOHNSON COMMITTED OUR NATION TO WORK TOWARDS A NEW TREATY WITH THE REPUBLIC OF PANAMA.

LAST SUMMER, AFTER 14 YEARS OF NEGOTIATION -- UNDER TWO DEMOCRATIC PRESIDENTS AND TWO REPUBLICAN PRESIDENTS -- WE REACHED AND SIGNED AN AGREEMENT THAT IS FAIR AND BENEFICIAL TO BOTH COUNTRIES.

THE UNITED STATES SENATE WILL SOON BE DEBATING WHETHER THESE TREATIES SHOULD BE RATIFIED.

THROUGHOUT THE NEGOTIATIONS, WE WERE DETERMINED THAT OUR NATIONAL SECURITY INTERESTS WOULD BE PROTECTED; THAT THE CANAL WOULD ALWAYS BE OPEN, NEUTRAL, AND AVAILABLE TO SHIPS OF ALL NATIONS;

. . . THAT IN TIME OF NEED . . .

WAR

THAT IN TIME OF NEED OR EMERGENCY OUR^A SHIPS WOULD HAVE
THE RIGHT TO GO TO THE HEAD OF THE LINE FOR PRIORITY
PASSAGE THROUGH THE CANAL; AND THAT OUR MILITARY FORCES
WOULD HAVE THE PERMANENT RIGHT TO DEFEND THE CANAL
IF IT SHOULD EVER BE IN DANGER.

THE NEW TREATIES MEET ALL OF THESE REQUIREMENTS.

LET ME OUTLINE THE TERMS OF THE AGREEMENT:

THERE ARE TWO TREATIES -- ONE COVERING THE REST
OF THIS CENTURY, AND THE OTHER GUARANTEEING THE SAFETY,
OPENNESS AND NEUTRALITY OF THE CANAL AFTER THE YEAR
1999 WHEN PANAMA WILL BE IN CHARGE OF ITS OPERATION.

FOR THE REST OF THIS CENTURY WE WILL OPERATE THE
CANAL THROUGH A NINE-PERSON BOARD OF DIRECTORS.

FIVE MEMBERS WILL BE FROM THE UNITED STATES, AND
FOUR FROM PANAMA.

WITHIN THE AREA OF THE PRESENT CANAL ZONE, WE HAVE
THE RIGHT TO SELECT WHATEVER LANDS AND WATERS OUR
MILITARY AND CIVILIAN FORCES NEED TO MAINTAIN, OPERATE,
AND DEFEND THE CANAL.

ABOUT 75 PERCENT OF THOSE WHO NOW MAINTAIN AND
OPERATE THE CANAL ARE PANAMANIAN; OVER THE NEXT 22
YEARS AS WE MANAGE THE CANAL TOGETHER, THIS PERCENTAGE
WILL INCREASE.

THE AMERICANS WHO WORK ON THE CANAL WILL CONTINUE
TO HAVE THEIR RIGHTS OF EMPLOYMENT, PROMOTION, AND
RETIREMENT CAREFULLY PROTECTED.

~~[IT IS IMPORTANT TO NOTE THAT THE LABOR UNIONS WHICH
REPRESENT THESE AMERICAN WORKERS SUPPORT THE NEW TREATIES.]~~

WE WILL SHARE WITH PANAMA . . .

WE WILL SHARE WITH PANAMA SOME OF THE FEES
PAID BY SHIPERS WHO USE THE CANAL. AS IN THE PAST,
THE CANAL SHOULD CONTINUE TO BE SELF-SUPPORTING.

THIS IS NOT A PARTISAN ISSUE. THE TREATIES
ARE STRONGLY BACKED BY PRESIDENT GERALD FORD AND
BY FORMER SECRETARIES OF STATE DEAN RUSK AND HENRY
KISSINGER.

THEY ARE ENDORSED BY OUR BUSINESS AND PROFESSIONAL
LEADERS, AND ESPECIALLY BY THOSE WHO RECOGNIZE THE
BENEFITS OF GOOD WILL AND TRADE WITH OTHER NATIONS IN
THIS HEMISPHERE.

^{WERE}
THEY ~~ARE~~ ENDORSED ~~BY THE SENATE DEMOCRATIC LEADER~~
~~ROBERT BYRD AND BY REPUBLICAN LEADER HOWARD BAKER, AND~~
OVERWHELMINGLY BY THE SENATE FOREIGN RELATIONS COMMITTEE,
WHICH THIS WEEK MOVED US CLOSER TO RATIFICATION. BY
APPROVING THE TREATIES, ALTHOUGH WITH SOME RECOMMENDED
CHANGES WHICH WE DO NOT FEEL ARE NEEDED.

AND THE TREATIES ARE SUPPORTED ENTHUSIASTICALLY
BY EVERY MEMBER OF THE JOINT CHIEFS OF STAFF --
GENERAL GEORGE BROWN, THE CHAIRMAN; GENERAL BERNARD ROGERS,
CHIEF OF STAFF OF THE ARMY; ADMIRAL JAMES HOLLOWAY, CHIEF
OF NAVAL OPERATIONS; GENERAL DAVID JONES, CHIEF OF STAFF
OF THE AIR FORCE; AND GENERAL LEWIS WILSON, COMMANDANT
OF THE MARINE CORPS -- RESPONSIBLE MEN WHOSE PROFESSION
IS THE DEFENSE OF THIS NATION AND THE PRESERVATION OF
OUR SECURITY.

THE TREATIES ALSO HAVE OVERWHELMING SUPPORT
THROUGHOUT LATIN AMERICA, BUT PREDICTABLY THEY ARE
OPPOSED ABROAD BY SOME WHO ARE UNFRIENDLY TO THE
UNITED STATES AND WHO WOULD LIKE TO SEE DISORDER IN
PANAMA AND A DISRUPTION OF OUR POLITICAL, ECONOMIC
AND MILITARY TIES WITH OUR FRIENDS IN CENTRAL AND
SOUTH AMERICA AND IN THE CARIBBEAN.

I KNOW THAT THE TREATIES . . .

I KNOW THAT THE TREATIES ALSO HAVE BEEN OPPOSED
BY MANY AMERICANS.

MUCH OF THAT OPPOSITION IS BASED ON MISUNDERSTANDING
AND MISINFORMATION.

I HAVE FOUND THAT WHEN THE FULL TERMS OF THE AGREEMENT
ARE KNOWN, MOST PEOPLE ARE CONVINCED THAT THE NATIONAL
INTERESTS OF OUR COUNTRY WILL BE SERVED BEST BY RATIFYING
THE TREATIES.

TONIGHT I WANT YOU TO HEAR THE FACTS. I WANT TO
ANSWER THE MOST SERIOUS QUESTIONS, AND TELL YOU WHY
I FEEL THE PANAMA CANAL TREATIES SHOULD BE APPROVED.

THE MOST IMPORTANT REASON -- THE ONLY REASON --
TO RATIFY THE TREATIES IS THAT THEY ARE IN THE HIGHEST
NATIONAL INTEREST OF THE UNITED STATES, AND WILL
STRENGTHEN OUR POSITION IN THE WORLD.

OUR SECURITY INTERESTS WILL BE STRONGER.

OUR TRADE OPPORTUNITIES WILL BE IMPROVED.

WE WILL DEMONSTRATE THAT AS A LARGE AND POWERFUL
COUNTRY WE ARE ABLE TO DEAL FAIRLY AND HONORABLY WITH
A PROUD BUT SMALLER SOVEREIGN NATION.

WE WILL HONOR OUR COMMITMENT TO THOSE ENGAGED
IN WORLD COMMERCE THAT THE PANAMA CANAL WILL BE OPEN
AND AVAILABLE FOR USE BY THEIR SHIPS -- AT A REASONABLE
AND COMPETITIVE COST -- BOTH NOW AND IN THE FUTURE.

* * *

LET ME ANSWER SPECIFICALLY THE MOST COMMON
QUESTIONS ABOUT THE TREATIES:

WILL OUR NATION HAVE THE RIGHT....

WILL OUR NATION HAVE THE RIGHT TO PROTECT AND
DEFEND THE CANAL AGAINST ANY ARMED ATTACK OR THREAT
TO THE SECURITY OF THE CANAL OR OF SHIPS GOING THROUGH
IT?

THE ANSWER IS YES, AND IS CONTAINED IN BOTH
TREATIES AND ALSO IN THE STATEMENT OF UNDERSTANDING
BETWEEN THE LEADERS OF OUR TWO NATIONS.

THE FIRST TREATY SAYS: "THE UNITED STATES OF AMERICA AND THE REPUBLIC OF PANAMA COMMIT THEMSELVES TO PROTECT AND DEFEND THE PANAMA CANAL.

EACH PARTY SHALL ACT, IN ACCORDANCE WITH ITS CONSTITUTIONAL PROCESSES, TO MEET THE DANGER RESULTING FROM AN ARMED ATTACK OR OTHER ACTIONS WHICH THREATEN THE SECURITY OF THE PANAMA CANAL OR OF SHIPS TRANSITING IT."

THE NEUTRALITY TREATY SAYS . . .

THE NEUTRALITY TREATY SAYS: "THE UNITED STATES OF AMERICA AND THE REPUBLIC OF PANAMA AGREE TO MAINTAIN THE REGIME OF NEUTRALITY ESTABLISHED IN THIS TREATY, WHICH SHALL BE MAINTAINED IN ORDER THAT THE CANAL SHALL REMAIN PERMANENTLY NEUTRAL."

THE STATEMENT OF UNDERSTANDING SAYS. . .

THE STATEMENT OF UNDERSTANDING SAYS: "UNDER
(THE NEUTRALITY TREATY) PANAMA AND THE UNITED STATES
HAVE THE RESPONSIBILITY TO ASSURE THAT THE PANAMA CANAL
WILL REMAIN OPEN AND SECURE TO SHIPS OF ALL NATIONS.

THE CORRECT INTERPRETATION OF THIS PRINCIPLE IS THAT
EACH OF THE TWO COUNTRIES SHALL, IN ACCORDANCE WITH THEIR
RESPECTIVE CONSTITUTIONAL PROCESSES, DEFEND THE CANAL
AGAINST ANY THREAT TO THE REGIME OF NEUTRALITY, AND
CONSEQUENTLY WILL HAVE THE RIGHT TO ACT AGAINST ANY
AGGRESSION OR THREAT DIRECTED AGAINST THE CANAL OR
AGAINST THE PEACEFUL TRANSIT OF VESSELS THROUGH THE
CANAL."

IT IS OBVIOUS THAT WE CAN TAKE . . .

IT IS OBVIOUS THAT WE CAN TAKE WHATEVER MILITARY ACTION IS NECESSARY TO MAKE SURE THAT THE CANAL ALWAYS REMAINS OPEN AND SAFE.

OF COURSE, THIS DOES NOT GIVE THE UNITED STATES ANY RIGHT TO INTERVENE IN THE INTERNAL AFFAIRS OF PANAMA, NOR WOULD OUR MILITARY ACTION EVER BE DIRECTED AGAINST THE TERRITORIAL INTEGRITY OR POLITICAL INDEPENDENCE OF PANAMA.

MILITARY EXPERTS AGREE THAT EVEN WITH THE PANAMANIAN ARMED FORCES JOINED WITH US AS BROTHERS AGAINST A COMMON ENEMY, IT WOULD TAKE A LARGE NUMBER OF AMERICAN TROOPS TO WARD OFF A HEAVY ATTACK.

I WOULD NOT HESITATE TO DEPLOY WHATEVER ARMED FORCES ARE NECESSARY TO DEFEND THE CANAL, AND I HAVE NO DOUBT THAT EVEN IN SUSTAINED COMBAT WE WOULD BE SUCCESSFUL.

BUT THERE IS A MUCH BETTER OPTION THAN SENDING OUR
SONS AND GRANDSONS TO FIGHT IN THE JUNGLES OF PANAMA.

WE WOULD SERVE OUR INTERESTS BETTER BY IMPLEMENTING
THE NEW TREATIES, AN ACTION THAT WILL HELP TO AVOID ANY
ATTACK ON THE PANAMA CANAL.

WHAT WE WANT IS THE PERMANENT RIGHT TO USE THE
CANAL -- AND WE CAN DEFEND THIS RIGHT THROUGH THESE
TREATIES -- THROUGH REAL COOPERATION WITH PANAMA.

THE CITIZENS OF PANAMA AND THEIR GOVERNMENT HAVE
ALREADY SHOWN THEIR SUPPORT OF THIS NEW PARTNERSHIP,
AND A PROTOCOL TO THE NEUTRALITY TREATY WILL BE SIGNED
BY MANY OTHER NATIONS, THEREBY SHOWING THEIR STRONG
APPROVAL.

THE NEW TREATIES WILL . . .

THE NEW TREATIES WILL NATURALLY CHANGE PANAMA
FROM A PASSIVE AND SOMETIMES DEEPLY RESENTFUL BYSTANDER
INTO AN ACTIVE AND INTERESTED PARTNER WHOSE VITAL
INTERESTS WILL BE SERVED BY A WELL OPERATED CANAL.

THIS AGREEMENT LEADS TO COOPERATION, NOT CONFRONTATION,
BETWEEN OUR COUNTRY AND PANAMA.

* * *

ANOTHER QUESTION IS: WHY SHOULD WE GIVE AWAY
THE PANAMA CANAL ZONE? AS MANY PEOPLE SAY, "WE BOUGHT
IT, WE PAID FOR IT, IT'S OURS."

I MUST REPEAT A VERY IMPORTANT POINT: WE DO NOT
OWN THE PANAMA CANAL ZONE -- WE HAVE NEVER HAD SOVEREIGNTY
OVER IT. WE HAVE ONLY HAD THE RIGHT TO USE IT.

THE CANAL ZONE CAN NOT BE COMPARED WITH UNITED
STATES TERRITORY.

WE BOUGHT ALASKA FROM THE RUSSIANS, AND NO ONE HAS EVER DOUBTED THAT WE OWN IT.

WE BOUGHT THE LOUISIANA TERRITORIES FROM FRANCE, AND IT IS AN INTEGRAL PART OF THE UNITED STATES.

FROM THE BEGINNING WE HAVE MADE AN ANNUAL PAYMENT TO PANAMA TO USE THEIR LAND.

YOU DO NOT PAY RENT ON YOUR OWN LAND.

THE CANAL ZONE HAS ALWAYS BEEN PANAMANIAN TERRITORY.

THE U.S. SUPREME COURT AND PREVIOUS AMERICAN PRESIDENTS HAVE REPEATEDLY ACKNOWLEDGED THE SOVEREIGNTY OF PANAMA OVER THE CANAL ZONE.

WE HAVE NEVER NEEDED TO OWN . . .

WE HAVE NEVER NEEDED TO OWN THE PANAMA CANAL ZONE, ANY MORE THAN WE NEED TO OWN A TEN-MILE-WIDE STRIP OF LAND THROUGH CANADA WHEN WE BUILD AN INTERNATIONAL GAS PIPELINE.

THE NEW TREATIES GIVE US WHAT WE DO NEED -- NOT OWNERSHIP OF THE CANAL, BUT THE RIGHT TO USE IT AND TO PROTECT IT.

AS THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF HAS SAID: "THE STRATEGIC VALUE OF THE CANAL LIES IN ITS USE."

X

*

X

THERE IS ANOTHER QUESTION: CAN OUR NAVAL SHIPS, IN TIME OF NEED OR EMERGENCY, GET THROUGH THE CANAL IMMEDIATELY, INSTEAD OF WAITING IN LINE?

THE TREATIES ANSWER THAT CLEARLY BY GUARANTEEING
THAT OUR SHIPS WILL ALWAYS HAVE EXPEDITIOUS TRANSIT
THROUGH THE CANAL.

TO MAKE SURE THERE COULD BE NO POSSIBLE
DISAGREEMENT ABOUT WHAT THESE WORDS MEAN, THE JOINT
STATEMENT SAYS THAT EXPEDITIOUS TRANSIT, AND I QUOTE,
"IS INTENDED . . . TO ASSURE THE TRANSIT OF SUCH
VESSELS THROUGH THE CANAL AS QUICKLY AS POSSIBLE,
WITHOUT ANY IMPEDIMENT, WITH EXPEDITED TREATMENT,
AND IN CASE OF NEED OR EMERGENCY, TO GO TO THE HEAD
OF THE LINE OF VESSELS IN ORDER TO TRANSIT THE CANAL
RAPIDLY."

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*

WILL THE TREATIES AFFECT OUR . . .

WILL THE TREATIES AFFECT OUR STANDING IN
LATIN AMERICA -- WILL THEY CREATE A SO-CALLED
"POWER VACUUM," WHICH OUR ENEMIES MIGHT FILL?

THEY WILL DO JUST THE OPPOSITE!

THE TREATIES WILL INCREASE OUR NATION'S INFLUENCE
IN THIS HEMISPHERE, WILL HELP TO REDUCE ANY MISTRUST
AND DISAGREEMENT, AND WILL REMOVE A MAJOR SOURCE OF
ANTI-AMERICAN FEELING.

THE NEW AGREEMENT HAS ALREADY PROVIDED VIVID
PROOF TO THE PEOPLE OF THIS HEMISPHERE THAT A NEW ERA
OF FRIENDSHIP AND COOPERATION IS BEGINNING, AND
THAT WHAT THEY REGARD AS THE LAST REMNANT OF ALLEGED
AMERICAN COLONIALISM IS BEING REMOVED.

LAST FALL I MET INDIVIDUALLY WITH THE LEADERS
OF 18 COUNTRIES IN THIS HEMISPHERE.

BETWEEN THE UNITED STATES AND LATIN AMERICA
THERE IS ALREADY A NEW SENSE OF EQUALITY, A NEW SENSE
OF TRUST AND MUTUAL RESPECT THAT EXIST BECAUSE OF
THE PANAMA CANAL TREATIES.

THIS OPENS UP A FINE OPPORTUNITY FOR US,
IN GOOD WILL, TRADE, JOBS, EXPORTS AND POLITICAL
COOPERATION.

IF THE TREATIES SHOULD BE REJECTED, THIS WOULD
ALL BE LOST, AND DISAPPOINTMENT AND DESPAIR AMONG OUR
GOOD NEIGHBORS AND TRADITIONAL FRIENDS WOULD BE SEVERE.

IN THE PEACEFUL STRUGGLE AGAINST ALIEN IDEOLOGIES
LIKE COMMUNISM, THESE TREATIES ARE A STEP IN THE RIGHT
DIRECTION.

NOTHING COULD STRENGTHEN . . .

NOTHING COULD STRENGTHEN OUR COMPETITORS AND
ADVERSARIES IN THIS HEMISPHERE MORE THAN FOR US TO
REJECT THIS AGREEMENT.

* * *

WHAT IF A NEW SEA-LEVEL CANAL SHOULD BE NEEDED
IN THE FUTURE?

THIS QUESTION HAS BEEN STUDIED OVER AND OVER
THROUGHOUT THIS CENTURY, FROM BEFORE THE CANAL WAS
BUILT UP THROUGH THE LAST FEW YEARS.

EVERY STUDY HAS REACHED THE SAME CONCLUSION:
THAT THE BEST PLACE TO BUILD A SEA-LEVEL CANAL IS IN
PANAMA.

THE TREATIES SAY THAT IF WE WANT TO BUILD SUCH
A CANAL, WE WILL BUILD IT IN PANAMA -- AND IF ANY CANAL
IS TO BE BUILT IN PANAMA, WE WILL HAVE THE RIGHT TO
PARTICIPATE IN THE PROJECT.

THIS IS A CLEAR BENEFIT TO US, FOR IT ENSURES
THAT TEN OR TWENTY YEARS FROM NOW, NO UNFRIENDLY BUT
WEALTHY POWER WILL BE ABLE TO PURCHASE THE RIGHT TO
BUILD A SEA-LEVEL CANAL, BYPASS THE EXISTING CANAL,
PERHAPS LEAVING THAT OTHER NATION IN CONTROL OF THE
ONLY USABLE WATERWAY THROUGH THE ISTHMUS.

* * *

ARE WE PAYING PANAMA TO TAKE THE CANAL?

WE ARE NOT.

UNDER THE NEW TREATY, PAYMENTS TO PANAMA WILL
COME FROM TOLLS PAID BY SHIPS WHICH USE THE CANAL.

* * *

WHAT ABOUT THE PRESENT AND FUTURE....

WHAT ABOUT THE PRESENT AND FUTURE STABILITY AND
THE CAPABILITY OF THE PANAMANIAN GOVERNMENT?

DO THE PEOPLE THEMSELVES SUPPORT THE NEW AGREEMENT?

PANAMA AND HER PEOPLE HAVE BEEN OUR HISTORICAL
ALLIES AND FRIENDS.

THE PRESENT LEADER OF PANAMA HAS BEEN IN OFFICE
FOR MORE THAN NINE YEARS, AND HE HEADS A STABLE GOVERNMENT
WHICH HAS ENCOURAGED THE DEVELOPMENT OF FREE ENTERPRISE
IN PANAMA.

DEMOCRATIC ELECTIONS WILL BE HELD THIS AUGUST
TO CHOOSE THE MEMBERS OF THE PANAMANIAN ASSEMBLY,
WHO WILL IN TURN ELECT A PRESIDENT AND A VICE PRESIDENT
BY MAJORITY VOTE.

IN THE PAST, REGIMES HAVE CHANGED IN PANAMA --
BUT FOR 75 YEARS, NO PANAMANIAN GOVERNMENT HAS EVER
WANTED TO CLOSE THE CANAL.

PANAMA WANTS THE CANAL OPEN AND NEUTRAL --
PERHAPS EVEN MORE THAN WE DO.

THE CANAL'S CONTINUED OPERATION IS VERY IMPORTANT
TO US, BUT IT IS MUCH MORE THAN THAT TO PANAMA.

TO PANAMA, IT IS CRUCIAL.

MUCH OF HER ECONOMY FLOWS DIRECTLY OR INDIRECTLY
FROM THE CANAL.

PANAMA WOULD BE NO MORE LIKELY TO NEGLECT OR CLOSE
THE CANAL THAN WE WOULD BE TO CLOSE THE INTERSTATE
HIGHWAY SYSTEM.

IN AN OPEN AND FREE REFERENDUM LAST OCTOBER
WHICH WAS MONITORED BY THE UNITED NATIONS, THE PEOPLE
OF PANAMA GAVE THE NEW TREATIES THEIR SUPPORT.

THE MAJOR THREAT TO THE CANAL COMES . . .

THE MAJOR THREAT TO THE CANAL COMES, NOT FROM
ANY GOVERNMENT OF PANAMA, BUT FROM MISGUIDED PERSONS
WHO MAY TRY TO FAN THE FLAMES OF DISSATISFACTION WITH
THE TERMS OF THE OLD TREATY.

* * *

THERE IS A FINAL QUESTION, ABOUT THE DEEPER
MEANING OF THE TREATIES THEMSELVES -- TO US AND TO
PANAMA.

RECENTLY I DISCUSSED THE TREATIES WITH DAVID
McCULLOUGH, AUTHOR OF "THE PATH BETWEEN THE SEAS,"
THE GREAT HISTORY OF THE PANAMA CANAL.

HE BELIEVES THAT THE CANAL IS SOMETHING WE BUILT
AND HAVE LOOKED AFTER THESE MANY YEARS; IT IS "OURS"
IN THAT SENSE, WHICH IS VERY DIFFERENT FROM JUST
OWNERSHIP.

SO WHEN WE TALK OF THE CANAL, WHETHER WE ARE
OLD, YOUNG, FOR OR AGAINST THE TREATIES, WE ARE
TALKING ABOUT VERY DEEP AND ELEMENTAL FEELINGS ABOUT
OUR OWN STRENGTH.

STILL, WE AMERICANS WANT A MORE HUMANE AND
STABLE WORLD.

WE BELIEVE IN GOOD WILL AND FAIRNESS, AS WELL AS
STRENGTH.

THIS AGREEMENT WITH PANAMA IS SOMETHING WE WANT
BECAUSE WE KNOW IT IS RIGHT.

THIS IS NOT MERELY THE SUREST WAY TO PROTECT
AND SAVE THE CANAL; IT IS THE STRONG, POSITIVE ACT OF
A PEOPLE WHO ARE STILL CONFIDENT, STILL CREATIVE,
STILL GREAT.

THIS NEW PARTNERSHIP CAN BECOME . . .

THIS NEW PARTNERSHIP CAN BECOME A SOURCE OF
NATIONAL PRIDE AND SELF-RESPECT IN MUCH THE SAME
WAY AS BUILDING THE CANAL 75 YEARS AGO.

IT IS THE SPIRIT IN WHICH WE ACT THAT IS SO VERY
IMPORTANT.

THEODORE ROOSEVELT, WHO WAS PRESIDENT WHEN AMERICA
BUILT THE CANAL, SAW HISTORY ITSELF AS A FORCE, AND
THE HISTORY OF OUR OWN TIME AND THE CHANGES IT HAS
BROUGHT WOULD NOT BE LOST ON HIM.

HE KNEW THAT CHANGE WAS INEVITABLE AND NECESSARY.
CHANGE IS GROWTH.

THE TRUE CONSERVATIVE, HE ONCE REMARKED, KEEPS
HIS FACE TO THE FUTURE.

BUT IF THEODORE ROOSEVELT WERE TO ENDORSE THE TREATIES, AS I AM QUITE SURE HE WOULD, IT WOULD BE MAINLY BECAUSE HE COULD SEE THE DECISION AS ONE BY WHICH WE ARE DEMONSTRATING THE KIND OF GREAT POWER WE WISH TO BE.

"WE CANNOT AVOID MEETING GREAT ISSUES," ROOSEVELT SAID. "ALL THAT WE CAN DETERMINE FOR OURSELVES IS WHETHER WE SHALL MEET THEM WELL OR ILL."

THE PANAMA CANAL IS A VAST, HEROIC EXPRESSION OF THAT AGE-OLD DESIRE TO BRIDGE THE DIVIDE AND BRING PEOPLE CLOSER TOGETHER. THIS IS WHAT THE TREATIES ARE ALL ABOUT.

WE CAN SENSE WHAT ROOSEVELT CALLED...

WE CAN SENSE WHAT ROOSEVELT CALLED "THE LIFT
TOWARD NOBLER THINGS WHICH MARKS A GREAT AND GENEROUS
PEOPLE."

IN THIS HISTORIC DECISION HE WOULD JOIN US IN
OUR PRIDE FOR BEING A GREAT AND GENEROUS PEOPLE,
WITH THE NATIONAL STRENGTH AND WISDOM TO DO WHAT
IS RIGHT FOR US AND FAIR TO OTHERS.

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